

Message Text

CONFIDENTIAL

PAGE 01 ROME 15200 01 OF 04 182215Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03
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C O N F I D E N T I A L SECTION 1 OF 4 ROME 15200

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E.O. 11652: GDS
TAGS: PINT, IT
SUBJECT: CURRENT TRENDS IN ITALIAN POLITICS

BEGIN SUMMARY: IN ITALIAN POLITICS, AS IN A KALEIDOSCOPE,
THE BASIC ELEMENTS NVEVER CHANGE BUT WITH EACH TWIST OF
FORTUNE THE RELATIONSHIP BETWEEN THE ELEMENTS CHANGES,
PRODUCING INFINITELY NOVEL RESULTS. DEVELOPMENTS IN RECENT
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PAGE 02 ROME 15200 01 OF 04 182215Z

MONTHS HAVE AFFECTED THE THREE MAJOR ELEMENTS IN THE POLITICAL
SCENE--THE CHRISTIAN DEMOCRATIC COMMUNIST AND SOCIALIST PARTIES--
IN SUCH A WAY AS TO POINT TO A POSSIBLE EVENTUAL REORIENTATION
OF THE COURSE WHICH ITAIAN POLITICS HAVE FOLLOWED SINCE 1976.
THE COMMUNISTS FIND THAT THEY MAY NOT BE ABLE TO GET WHAT
THEY WANT. THE CHRISTIAN DEMOCRATS ARE NOT SURE WHAT THEY
WANT. AND, MOST SURPRISING OF ALL, HE SOCIALISTS THINK

THEY KNOW WHAT THEY WANT. THIS SITUATION, COMBINED WITH THE ANDREOTTI GOVERNMENT'S CONTINUING INABILITY TO SECURE THE BROAD SUPPORT NECESSARY TO DEAL WITH THE COUNTRY'S ECONOMIC AND SOCIAL PROBLEMS, COULD PROVOKE A GOVERNMENT CRISIS AND INTRODUCE A PERIOD OF ACUTE POLITICAL UNCERTAINTY. END SUMMARY.

1. THE POLITICAL SITUATION LOOKS DIFFERENT IN AUGUST WITH THE GOVERNMENT ON ITS SUMMER VACATION FROM THE WAY IT APPEARED IN MARCH WHEN THE PRESENT ANDREOTTI GOVERNMENT WAS INSTALLED. IN THE INTERVENING MONTHS SEVERAL UNFORESEEN TRENDS HAVE TAKEN SHAPE. THE DEPTH OF THESE TRENDS IS IMPOSSIBLE TO MEASURE AND SHOULD NOT BE OVERESTIMATED. BUT THEY MAY SIGNIFY THAT A GRADUAL POLITICAL REORIENTATION IS UNDERWAY.

COMMUNISTS ON THE DEFENSE

2. ONE ELEMENT OF CHANGE CAN BE SEEN IN THE CURRENT SITUATION OF THE COMMUNIST PARTY. MUCH ITALIAN POLITICAL RECKONING SINCE 1976 HAS BEEN BASED ON A BELIEF THAT THE ROLE OF THE COMMUNIST PARTY IN GOVERNING ITALY WOULD STEADILY GROW. ALSO MORO PRACTICED WHAT UGO LA Malfa PREACHED--THAT THE COMMUNIST PARTY HAD BECOME SO LARGE AND ITALY'S ECONOMIC PROBLEMS SO SEVERE THAT, IN THE ABSENCE OF ANOTHER VIABLE OPTION, THE COMMUNIST PARTY HAD TO BE ALLOWED A DEGREE

CONFIDENTIAL

PAGE 03 ROME 15200 01 OF 04 182215Z

OF GOVERNING RESPONSIBILITY. BUT AFTER MORO'S ASSASSINATION, THE COMMUNIST SETBACKS IN THE THREE RECENT ADMINISTRATIVE ELECTIONS AND THE OUTCOME OF THE REFERENDA VOTE, THE "INELUCTABILITY OF THE HISTORIC COMPROMISE," IN LA Malfa'S PHRASE, HAS BEGUN TO LOOK LESS CERTAIN OR AT LEAST A LITTLE LESS IMMINENT THEN IT DID SIX MONTHS AGO. ELECTORALLY, THE COMMUNIST PARTY HAS BEEN STOPPED IN ITS TRACKS. WE UNDERSTAND THAT COMMUNIST LEADERS FEAR THAT IF A NATIONAL ELECTION WERE HELD TODAY, THEIR VOTING LOSSES MIGHT BE MORE SEVERE THAN THOSE SUFFERED IN THE SPRING. THIS SITUATION DOES NOT PREVENT THE COMMUNIST PARTY FROM THROWING ITS WEIGHT AROUND--AS IT DID IN FINISHING OFF LEONE AND HELPING TO PUT PERTINI IN THE QUIRINALE. BUT, AT THE MOMENT IT APPEARS THAT THE STEADY ELECTORAL GROWTH OF THE COMMUNIST PARTY HAS ENDED.

3. IT IS NOT ONLY FOR THIS REASON THAT THE COMMUNISTS ARE ON THE DEFENSIVE. SIX MONTHS AFTER TAKING A DECISIVE STEP TOWARD PARTICIPATION IN GOVERNMENT, BERLINGUER'S STRATEGY OF HISTORIC COMPROMISE IS BEING QUESTIONED BY HIS OWN PARTY. THE RATIONALE OF THIS STRATEGY HAS BEEN THAT THE PRICE PAID FOR COOPERATION WITH THE CHRISTIAN DEMOCRATS WOULD BE COMPENSATED BY THE ADVANTAGE OF INFLUENCING THE WAY ITALY WAS

GOVERNED. SO, IN ASSOCIATING THEMSELVES WITH THE PRESENT
GOVERNMENT, THE COMMUNISTS MADE THEMSELVES PARTIALLY
CORESPONSIBLE FOR THE GOVERNMENT'S PERFORMANCE. THE FACT
THAT NO ADVANCE HAS BEEN MADE IN SOLVING BASIC ECONOMIC AND
SOCIAL PROBLEMS CONSEQUENTLY PUTS BERLINGUER ON THE SPOT.
AS PARTY WORKERS SEE IT, THE COMMUNIST PARTY IS PAYING A
STIFF PRICE AND IS GETTING LITTLE OR NOTHING IN RETURN.
BERLINGUER CONSEQUENTLY FINDS HIMSELF UNDER PRESSURE FROM
HIS OWN PARTY--AS HE SAID IN HIS JULY 24 SPEECH TO THE CENTRAL
COMMITTEE--TO DEMAND SERIOUS ACTION BY THE ANDREOTTI GOVERNMENT
IN THE FALL OR TO WITHDRAW FROM THE GOVERNING MAJORITY.
WITHDRAWAL WOULD SPELL THE END OF THE HISTORIC COMPROMISE
STRATEGY, AT LEAST TEMPORARILY. THEREFORE, BERLINGUER KNOWS
THAT HE MAY HAVE SOME HARD CHOICES TO MAKE IN THE FALL. IN
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PAGE 04 ROME 15200 01 OF 04 182215Z

THE PAST HE HAS MAINTAINED HIS STRATEGY AND APPEASED
PARTY WORKERS BY MOVING STEP BY STEP TOWARD GOVERNMENT
POWER. BUT WILL HE BE ABLE TO MOVE THE PARTY A FURTHER STEP
AHEAD AT A TIME WHEN THE PARTY'S BARAINING POWER IS SMALLER THEN
AT ANY TIME SINCE 1976? ALTHOUGH BERLINGUER APPEARS TO BE IN
NO TROUBLE AS PARTY LEADER, HE FACES A DIFFICULT PERIOD IN
THE COMING MONTHS.

4. EVEIDENTLY IT WAS THE DESIRE TO PLACATE DISSATISFIED
PARTY WORKERS WHILE SUSTAINING THE HISTORIC COMPROMISE

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PAGE 01 ROME 15200 02 OF 04 182214Z
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C O N F I D E N T I A L SECTION 2 OF 4 ROME 15200

STRATEGY WHICH IMPELLED BERLINGUER RECENTLY TO GIVE LA REPUBBLICA ONE OF HIS RARE PRESS INTERVIEWS. HOWEVER, THE ESSENCE OF THE INTERVIEW--A STATEMENT OF WHERE THE PARTY STANDS IDEOLOGICALLY--MERELY EXPOSED ANOTHER ASPECT OF THE PARTY' INTERNAL DILEMMAS: BERLINGUER'S APPARENT DESIRE TO SHED THE PARTY'S LENINIST HERITAGE BUT HIS UNWILLINGNESS TO RENOUNCE IT EXPLICITLY: HIS REJECTION OF EASTERN EUROPE AS A MODEL BUT HIS UNWILLINGNESS TO ADOPT A WESTERN SOCIAL DEMOCRATIC ONE: HIS ENDORSEMENT OF CIVIL LIBERTIES BUT HIS FEEBLE AND BACKHANDED WAY IN DOING SO.

5. IN GIVING THE INTERVIEW BERLINGUER OPENED THE PARTY TO
CONFIDENTIAL

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PAGE 02 ROME 15200 02 OF 04 182214Z

PUBLIC JUDGMENT, AND THAT JUDGMENT HAS BEEN UNFAVORABLE. EXCEPT FOR REPUBLICAN PARTY SECRETARY, BIASINI, WHO FOUND MUCH IN THE INTERVIEW TO PRAISE, THE UNIFORM REACTION OF THE OTHER PARTIES WAS THAT BERLINGUER RAISED MORE QUESTIONS THAN HE ANSWERED ABOUT THE COMMUNIST'S LIBERAL DEMOCRATIC CREDENTIALS. ACCORDING TO ZACCAGNINI, THE INTERVIEW SHOWED THAT THE IDEOLOGICAL REVISION OF THE COMMUNIST PARTY WAS "UNCERTAIN AND INCOMPLETE". BERLINGUER'S ATTITUDE TOWARD THE SOVIET UNION WAS AMBIGUOUS: HIS ATTITUDE TOWARD PLURALISM WAS INADEQUATE: AND HIS REJECTION OF WESTERN SOCIAL DEMOCRACY LEFT UNCERTAIN WHAT SYSTEM THE PARTY IN FACT FAVORED. THE LIBERALS AND SOCIAL DEMOCRATS RESPONDED SIMILARLY. MOST CRITICAL OF ALL WERE THE SOCIALISTS. THE QUESTION WHETHER THE ITALIAN COMMUNISTS WERE IDEOLOGICALLY CLOSER TO THE SPANISH OR FRENCH COMMUNIST PARTY, FABRIZIO CICCHITTO MAINTAINED, HAD NOW BEEN ANSWERED: THEY WERE CLOSER TO MARCHAIS'S PARTY. TO THIS CRAXI ADDED THAT BERLINGUER'S ATTEMPT TO PRESENT THE SOCIALISTS AS A PARTY OF THE RIGHT "SMELLED OF STALINISM". IN SHORT, THE NET EFFECT OF THE INTERVIEW WAS TO ADD TO THE COMMUNISTS PROBLEMS. SOCIALISTS ON THE OFFENSE.

6. A SECOND IMPORTANT ELEMENT IN THE CURRENT POLITICAL

SITUATION IS THE REVIVAL OF THE SOCIALIST PARTY. THE WAY CRAXI IS BEGINNNING TO PULL THE PARTY TOGETHER HAS RAISED A QUESTION IN THE MINDS OF MANY WHETHER THEY MAY AFTER ALL BE AN ALTERNATIVE TO COOPERATION BETWEEN THE CHRISTIAN DEMOCRATS AND COMMUNISTS. FOR THEIR OWN PART, CRAXI AND HIS COLLEAGUES ARE DETERMINED TO DO EVERYTHING THEY CAN TO PREVENT THE HISTORIC COMPROMISE AND TO TAKE AWAY FROM THE COMMUNISTS THE MIDDLE CLASS VOTES WHICH THEY RECKON THE SOCIALISTS LOST TO THEM DURING THE PAST TWO DECADES. THIS TACTIC HAS LED THE PARTY INTO AN INCREASINGLY OPEN AND SHRILL HOSTILITY TOWARD THE

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PAGE 03 ROME 15200 02 OF 04 182214Z

COMMUNIST PARTY. IN A POLITICAL SYSTEM WHICH ABHORS CLASH AND CONFLICT AND WHICH THRIVES ON COMPROMISE AND ACCOMMODATION, THE POLITICAL WARFARE CURRENTLY BEING WAGED BY THE SOCIALIST LEADERS ON THE COMMUNISTS IS A REMARKABLE POLITICAL DEVELOPMENT.

7. THE SOCIALIST ATTACKS ARE OCCURRING ON TWO LEVELS. FIRST THEY ARE RORTATORY. IN RECENT YEARS THE GENERAL PUBLIC DEBATE ABOUT THE COMMUNIST PARTY HAS CONCENTRATED ON THE EXTENT TO WHICH THE PARTY HAS UNDERGONE FUNDAMENTAL IDEOLOGICAL REVISION. DURING THE PAST MONTH OR SO THE SOCIALISTS HAVE TRIED TO CHANGE THE ISSUE FROM HOW MUCH TO WHETHER. THEIR OWN ANSWER, GIVEN MOST OUTSPOKENLY BY VICE SECRETARY SIGNORILE IN AN INTERVIEW IN LA REPUBBLICA, IS THAT THE COMMUNIST PARTY HAS NOT CHANGED FUNDAMENTALLY AND THAT IT IS THEREFORE UNACCEPTABLE AS A PARTNER IN GOVERNING ITALY. THE SECOND LEVEL OF ATTACK HAS BEEN IN COMMUNAL AND PROVINCIAL GOVERNMENTS, WHERE THE SOCIALISTS ARE REFUSING TO GOVERN WITH THE COMMUNISTS. THE MOST RECENT EXAMPLE IS THE SOCIALIST WITHDRAWAL FROM THE VENICE CITY GOVERNMENT.

8. PARALLEL WITH THIS CAMPAIGN AGAINST THE COMMUNISTS, THE LEADERS OF THE SOCIALIST AND SOCIAL DEMOCRATIC PARTIES HAVE DEVELOPED WHAT CAN PROBABLY NOW BE CONSIDERED AN ALLIANCE, TACIT AND INFORMAL THOUGH IT MAY BE. ALTHOUGH REUNIFICATION IS NOT IN THE CARDS, THE RELATIONSHIP BETWEEN THE TWO PARTIES IS PROBABLY CLOSER THAN AT ANY TIME SINCE THE BRIEF REUNIFICATION IN THE 1960'S. THE SOCIAL DEMOCRATS GAVE EVIDENCE OF THEIR LOYALTY TO THIS ALLIANCE DURING THE RECENT PRESIDENTIAL CONTEST BY NOT PRESENTING A CANDIDATE OF THEIR OWN AND BY INSTEAD SUPPORTING THE SOCIALISTS THROUGHOUT THE ELECTION. RELATIONS BETWEEN THE SOCIALISTS AND THE LIBERALS HAVE SLOWLY BEEN STEADILY IMPROVING. INDEED THE SOCIALIST PARTY'S STRATEGY OF DOING ITS BEST TO PREVENT COOPERATION BETWEEN THE COMMUNISTS AND THE CHRISTIAN DEMOCRATS HAS ATTRACTED STRONG PRAISE FROM A BROAD SPECTRUM OF POLITICAL

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PAGE 04 ROME 15200 02 OF 04 182214Z

FORCES--FROM LOTTA CONTINUA ON THE FAR LEFT TO DEMOCRAZIA NAZIONALE ON THE FAR RIGHT (THOUGH WITH THE CONINUED EXCEPTION OF THE REPUBLICANS WHO MREMAIN BITTERLY HOSTILE TO THE SOCIALISTS). IT WAS THIS SITUATION WHICH SEVERAL WEEKS AGO LED THE CONSERVATIVE EDITOR OF IL GIORNALE, INDRO MONTANELLI, TO ANNOUNCE IN A FRONT-PAGE EDITIRIAL THAT HE HAD LOST HOPE IN THE CHRISTIAN DEMOCRATS AND FROM NOW ON WOULD DO WHAT HE COULD TO SUPPORT THE REVIVAL OF THE SOCIALIST PARTY AS THE GREAT OPPONENET OF THE HISTORIC COMPROMISE. THIS IS NOT TO SAY THAT A GRAND LAY FRONT OF OPPONENTS OF THE HISTORIC COMPROMISE IS GOING TO DEVELOP. THE SOCIALISTS THEMSELVES SCOFF AT SUCH A NOTION. BUT THERE HAS SUDDENLY DEVELOPED A MARKED CONGRUENCE OF ANTI-HISTORIC COMPROMISE SENTIMENT.

CHRISTIAN DEMOCRATS ON THE FENCE

9. A THIRD NEW ELEMENT OF THE CURRENT SITUATION IS THE UNCERTAINTY WHICH CHARACTERIZES THE CHRISTIAN DEMOCRATIC PARTY AT THE MOEMENT. ALTHOUGH HOLDING TOGETHER EXTREMELY WELL AS IT MOVES INTO THE POST-MORO ERA, THE PARTY CLEARLY

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PAGE 01 ROME 15200 03 OF 04 182229Z
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C O N F I D E N T I A L SECTION 3 OF 4 ROME 15200

LACKS A COMMANDING LEADER. PRIME MINISTER ANDREOTTI HAS POWER BUT LITTLE POPULARITY: PARTY SECRETARY ZACCAGNINI HAS BROD POPULARITY BUT LITTLE INFLUENCE: PARTY PRESIDENT PICCOLI HAS SOME OF BOTH BUT NO GREAT AMOUNT OF EITHER. THE RESULT OF THIS LACK OF LEADERSHIP IS THE IMMOBILITY OF THE PARTY IN THE POLITICAL PROCESS--AS WITNESS ITS PASSIBITY IN THE FINAL DAYS OF LEONE AND ITS INABILITY EITHER TO PUT FORWARD ITS OWN PRESIDENTIAL CANDIDATEOR TO CONTROL THE ELECTORAL PROCESS, WHICH WAS IN FACT DOMINATED BY THE SOCIALISTS AND COMMUNISTS.

10. THE CHRISTIAN DEMOCRATS UNCERTAINTY CAN ALSO BE SEEN IN THE PARTY'S GROWING HESITANCE IN PURSUING THE MOROR LINE. TO
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PAGE 02 ROME 15200 03 OF 04 182229Z

SOME EXTENT THIS DIFFIDENCE CAN BE TRACED TO THE RESULTS OF THE SPRING ADMINISTRATIVE ELECTINS WHICH HAVE BEEN GENERALLY REGARDED BY THE PARTY'S WORKERS AND VOTERS AS A CALL FOR MODERATING THE STRATEGY OF COOPERATIO WITH THE COMMUNISTS. THE MODD WAS EVIDENT IN TWO RECENT DEVELOPMENTS. ON EWAS THE UNEXPECTE DISCUSSION IN THE NATIONAL COUNCIL MEETING OF WHETHR THE COIALIST PARTY UNDER CRAXI'S LEADERSHIP OFFERED THE CHRISTIAN DEMOCRATS AN ALTERNATIVE PARTNERSHIP TO THAT OF THE COMMUNISTS. INCONCLUSIVE THOUGH THE DEBATE WAS, SIX MONTHS AGO IT WOULD HAVE NOT TAKEN PLACE. A SECOND SEIGN OF THE NEW MOOD WAS THE CHRISTIAN DEMORATS"--AND IN PARTICULAR ZACCAGNINI'S STIFF REPLY TO BERLINGUER'S INTERVIEW IN LA REPUBBLICA. SUCH A RESPONSE WOULD PROBABLY ALSO NOT HAVE BEEN MADE SOME MONTHS BACK.

11. MORE SIGNIFICANT IN THE LONG RUN MAY PROVE TO BE PICCOLI'S ELECTION AS CHRISTIAN DEMORACTIC PARTY PRESIDENT. ALTHOUGH A BIT OF AN APPORTUNIST WHO CAN SHIFT POSITION AS EXPEDIENCY COMMENDS, PICCOLI IS CLEARLY AMONG THOSE CHRISTIAN DEMOCRATS WHO ARE NOT COMFORTABLE WITH THEIR PARTY'S COOPERATION WITH THE COMMUNISTS AND WHO WOULD LIKE IDEALLY TO EXCHANGE THE SOCIAISTS FOR THE COMMUNISTS AS THE PARTY'S GOVERNING PARTNER. ONE OF CRAXI'S CLOSEST FRIENDS IN THE CHRISTIAN DEMOCRATIC PARTY, PICCOLI IS AMONG THOSE CHRISTIAN DEMOCRATS WHO WELCOME THE SOICALISTS REVIVAL AS A PROMISING RATHER THAN A DESTABILIZING DEVELOPMENT. PICCOLI IS PROBALBY NOT CONVINCED THAT THE SOCIALSTS HAVE YET PULLED THEMSELVES TOGETHER TO THE POINT WHERE THEY WOULD BE A RELIABLE PARTNER IN GOVERNMENT. BUT WITH PICCOLI'S

ELCTION TERE IS NOW AT THE TOP OF THE PARTY SOMEONE WHO,
WHILE SKEPTICAL, WILL BE LOOKING TO THE SOCIALISTS TO
OFFER A POSSIBLE ALTERNATIVE SOLUTION IF THE COMMUNISTS
RUN A NEW CENTER-LEFT GOVERNMENT CAN REPLACE THE PRESENT
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PAGE 03 ROME 15200 03 OF 04 182229Z

ARRANGEMENT.

NO ONE IN CONTROL

12. THESE THREE TRENDS HAVE DEVELOPED AGAINST THE BACKGROUND
OF AN INCREASINGLY UNGOVERNED COUNTRY. WHILE MORO'S
KIDNAPPING AND THE PRESIDENTIAL ELECTION INEVEITABLE ABSORBED
MUCH OF THE GOVERNMENT'S ATTENTION, THE STATISTICS ARE
NONETHELESS DAMMING. IN HIS PROGRAM STATEMENT TO PARLIMENT
IN MARCH, WHEN THE NEW GOVERNEMTN TOOK OFFICE, PRIME MINISTER
ANDREOTTI CALLED FOR THE ENACTMENT OF A PROGRAM INVOLVING 147
PIECES OF LEGISLATION.BY THE TME PARLIAMENT RECESSED FOR THE
SUMMER, FEWER THAN A DOZEN OF THESE PROPOSALS HAD BEEN
ENACTED AND IN 49 OTHER CASES NO PROPOSALS WERE EVEN PRESENTED
TO EITHER HOUSE. INSTEAD OF FOLLOWING THE NORMAL PROCEDURES
OF PARLIAMENTARY DEMOCRACY, THE ANDREOTTI GOVENMENT HAS RELIED
INCREASINGLY ON THE ALREADY OVER-USED EXPEDIENT OF GOVERNING
BY DECREE VALID FOR 60 DAYS BY WHICH TIME IT MMUST BE PASSED
INTO LAW. THERE HAVE BEEN 124 SUCH DECREES--43 ALONE ON
ECONOMIC ISSUES--SINCE THE PRESENT PARLIAMENT HAS ELECTED IN
1976.

13. THIS SITUATION HIGHLIGHTS A CENTRAL FEATURE OF THE ITALIAN
GOVERNMENT IN RECENT YEARS--THE INABILITY OF THE
GOVERNMENT TO ACT EXCEPT WITH THE AGREEMENT OF ALL THE
SUPPORTING PARTIE AS WELL AS OF THE MAJOR SOCIAL AND
ECONOMIC INSTITUTIONS. THE PARTIES ARE ALWAYS WILLING TO
AGREE ON A BROAD STATEMENT OF GOALS SO THAT A FACADE OF
GOVERNMENT CAN BE MAINTAINED. THUS ALL THE PARTIES AGREE,
FOR EXAMPLE, ON THE NEED TO REDUCE YOUTH UNEMPLOYMENT, INCREASE
PUBLIC INVESTMENT, CUT PUBLIC SPENDIG AND RAISE TAX REVENUES.
BUT THE INTERESTS OF THE POLITICAL, SOCIAL AND ECONOMIC
PARTNERS ARE SO VIVERGENT THAT THEY HAVE GREAT DIFFICULTY
AGREEING ON THE PRACTICAL STEPS NECESSARY TO ACHIEVE THESE AIMS.

14. THE RESULTING IMMOBILISM IS PARTICULARLY EVIDENT IN THE
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PAGE 04 ROME 15200 03 OF 04 182229Z

ECONOMIC SPHERE.
IT IS TRUE THAT ITALY'S GROWTH RATE HAS BEEN MAINTAINED, THE

BALANCE OF PAYMENTS IMPROVED AND THE RATE OF INFLATION CUT. BUT THESE TRENDS CANNOT BE CONSIDERED PERMANENT. THE PUBLIC SECOTR DEFICIT IS STILL REUNNING AT AN UNSUSTANABLE LEVEL AND NOTHING HAS BEEN DONE TO BRING LABOR COSTS INTO LINE WITH THOSE IN THE REST OF THE INDUSTRIALIZED WORLD. UNTIL PROGRESS IS MADE IN SOLVING THESE TWO STRUCTURAL PROBLEMS, THERE IS LITTLE HOPE THAT THE ECONOMY CAN RESUME A RATE OF GROWTH WHICH WILL CREATE ENOUGH JOBS FOR THE COUNTRY'S YOUGH, WHO MAKE UP 76 PERCENT OF THE 1.6 MILLION UNEMPLOYED. LABOR UNIONS HVE BECOME INCREASINGLY UNHAPPY WITH THIS LACK OF PROGRESS AND ARE THREATENING STRIKES IN THE FALL UNLESS THE GOVERNMENT PRESENTS CONCRETE PROPOSALS TO INCREASE EMPLOYMENT OPPORTUNITIES. IN ADDITION TO THESE RISKS, THE GOVERNMENT ALSO FACES THE PROSPECT OF HAVING TO RENEGOTIATE WAGE CONTRACTS IN THE COMING MONTHS FOR NO FEWER THAN 8 MILLION WORKERS.

WHAT DOES IT ALL MEAN?

15. THE RELATIONS AMONG THE ARTIES IN TURMOIL, THE ECONOMY-
FACING TRUBLE, THE GOVERNMENT UNABLE TO DEAL EFFECTIVELY
WITH THE COUNTRY'S PROBLES AND NO STRONG CENTRAL AUTHORITY--

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PAGE 01 ROME 15200 04 OF 04 182216Z
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C O N F I D E N T I A L SECTION 4 OF 4 ROME 15200

BAD AS IT SOUNDS THIS SITUATION MAY ADD UP TO NOTHING MORE THAN ONE MORE CIRIS ALL'ITALIANA, WHERE THE "INEVITABLE" CRUCH NEVER OCCURS AND WHERE SOME ARRANGEMENT IS PATCHED TOGETHER WHIDHC LEAVES NO ONE EITHER TOO SATISFIED O TOO DISSATISFIED. MOREOVER,THE TRENDS DESCRIBED ABOVE MIGHT PETER OUT. THE SOCIALISTS RESURGENCE COULD PROVE TO BE SHORT-LIVED, LEAVING THE CHRISTIAN DEMOCRATS LITTLE ALTERATIVE BUT TO GO ON WORKING WITH THE COMMUNISTS. BUT THERE IS SOME SENSE OF INSTABILITY IN THE AIR. THE SOCIAL DEMOCRATS ARE CONVICTED THAT THE ANDREOTTI GOVERNMENT IS TOO WEAK TO SURVIVE THROUGH THE FALL. BOTH BERLINGUER AND BIASINI ARE ON RECORD WITH THREATS TO TAKE THEIR PARTIES
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PAGE 02 ROME 15200 04 OF 04 182216Z

OUT OF THE GOVERNING MAJORITY UNLESS THE GOVERNMENT IMPLEMENTS SERIOUD MEASURES TO DEAL WITH THE ECONOMIC SITUATION.

16. THERE ARE THREE POTENTIAL DEVELOPMENTS WHICH COULD LEAD TO A CRISIS IN THE FALL: A COMMUNIST DEMAND FOR A FURTHER MEASURE OF GOVERNMENTAL POWER, SUCH AS TECHNICAL' MINISTERS IN WHOSE SELECTION THEY WOULD HAVE AN ESSENTAIL ROLE: ECONOMIC AND LABOR PROBLEMS WITH WHICH THE GOVERNMENT CANNOT COPE: AND DEEPEING CONFRONTATION WITH COMMUNISTS AND SOCIALISTS.

17. THREE CONSIDERATINS SHOUL WORK TO LIMIT THE POTENTIALLY DESTABLIZING EFFECTS OF THESE DEVELOPMENT: THE PARTIES OF THE MAJORITY WOULD LIKE TO MAINTAIN THE PRESENT FORMULA: THE PARTIES OF THE MAJORITY WOULD LIKE TO AVOID AN ELCTION AT LEAST DURING THE NEXT SIX MONTHS: AD THE PARTIES OF THE MAJORITY WOULD LIKE TO MAINTAIN SUFFICIENT COOPERATION TO GET THE COUNTRY OVER THE DELICATE ECONOMIC AND LABOR PROBLEMS OF THE FALL AND WINTER.

18. THERFORE, IF A CRISIS DEVELOPS IN THE FALL, ITS SEEMS AT THIS POINT LIKELY THAT THE PARTIES OF THE MAJORITY WILL DO THEIR BEST TO PUT TOGETHER A GOVERNING ARRANGMENT SIMILAR TO THE EXISTING ONE. WHETHER THE CHRISTIAN DEMOCRAS AND SOCIALIST WILL AGREE TO EXPAND THIS FORMULA TO INCLUDE TECHNICAL MINISTER S IN THE CABINET--THE PENTULTIMATE STEP TO THE HISTORIC COMPROMISE--IS NOT CLEAR. BUT ITALIAN POLITICAL DEVELOPMENTS HAVE A WAY OF GETTING OUT OF CONTROL. COMMUNIST PRESSURE FOR A FURTHER MEASURE OF GOVERNING INCLUENCE OR A COMMUNIST WITHDRAWAL FROM THE MAJORITY GOVERNMENT COULD LEAD TO AN EARLY NATIOAL ELECTION. THERE IS AN ALTERNATIVE TO AN EARLY ELECTION: THE FORMATION OF A COALITION OF

CHRISTIAN DEMOCRATS, SOCIALISTS AND LAY PARTIES. THIS
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PAGE 03 ROME 15200 04 OF 04 182216Z

POSSIBILITY APPARS TO BE THE MOST REMOTE OF THE THREE BROAD
POSSIBLE DEVELOPMENT. IS FAR FROM CLEAR THT THE
SOCIALISTS ARE YET READY TO TAKE SUCH A STEP. IT IS
EQUALLY FAR FROM CLEAR THT THE CRHISTIAN DEMOCRATS WERE
WILLING TO PUT THE COMMUNISTS INTO THE OPPOSITION WITH
ALL TAHT COULD MEAN FOR THE GOVERNMENT IN TERMS OF DEALING
WITH ECONOMIC, LABOR AND SOCIAL PROBLEMS. THE FUTURE
BECOMES MORE UNCERTAIN STILL WHEN TO THIS UNCLEAR PICTURE
IS ADDED THE POSSIBLITY OF ANOTHER MAJOR OUTBREAK OF TERRORISM
IN THE FALL.HOLMES

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Legacy Key: link1978/newtext/t19780848/aaaabnyk.tel
Line Count: 565
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 565ce360-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1693789
Secure: OPEN
Status: NATIVE
Subject: CURRENT TRENDS IN ITALIAN POLITICS BEGIN SUMMARY: IN ITALIAN POLITICS, AS IN A KALEIDOSCOPE, THE BASIC ELEMENTS NVEVER CHANGE BUT WITH EACH TWI
TAGS: PINT, IT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/565ce360-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014